

ASK JIM DONELON

YOUR COMMISSIONER OF INSURANCE



About arson and insurance fraud

Q: Do you think someone would really consider setting fire to a hurricane-damaged home to collect insurance money? If they do, won't they be in big trouble if they get caught?

A: We have very good reason to believe people in hurricane-ravaged areas may set fire to a home or other property to try and collect insurance money. And everyone--from local law enforcement to the Department of Insurance to insurance companies--is watching that situation very closely. Right now, local authorities are reporting at least one suspicious fire a day in areas hardest hit by Katrina and Rita. Some of those fires are breaking out just hours after the adjuster has talked to the homeowner about insurance coverage. When there is no one living in a storm damaged area and no electrical power, a sudden fire in the middle of the night looks very suspicious.

People may think they are getting away with committing arson if they aren't arrested right away. They'd better think again. Investigation of arson takes time, but law enforcement and insurance company investigators are very skilled at gathering the evidence it will take to bring an arsonist to justice.

Everybody has a stake in helping to stamp out arson and other types of insurance fraud. An estimated \$27 million in fraudulent claims is collected in Louisiana every year by people who torched their homes or other property.

My message to anyone considering arson is: don't do it. If you are found guilty of committing arson, you will get no insurance money, and you could go to jail for a very long time. Setting fire to any structure can get you a hefty fine and several years in jail. Setting a fire that endangers human life brings with it an even stiffer penalty.

You can help stamp out arson fraud by following a few simple steps: First of all, be aware of your surroundings. If you witness suspicious activity, make a mental note of what you saw. Second, if you or someone you know has good reason to suspect arson has occurred, contact your local law enforcement office. Third, contact our Fraud Division at the 800 number listed below. Tell us anything you can about what you suspect arson. You can make your report confidentially and it will be thoroughly investigated.

Arson by someone living near you can endanger your life and the lives of members of your family. Arson aimed at collecting insurance benefits costs us all. If we remain silent, we pay the bills and bear some of the blame for any loss of life that might occur.



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